

# Fiscal Note

State of Alaska  
2021 Legislative Session

Bill Version:	CSSB 10(FIN)
Fiscal Note Number:	4
(S) Publish Date:	4/28/2021

Identifier: SB010CS(FIN)-EED-ASLC-4-26-21  
Title: FREE/REDUCED TUITION FOR ESSENTIAL WORKER  
Sponsor: BEGICH  
Requester: Senate Finance

Department: Department of Education and Early Development  
Appropriation: Alaska Student Loan Corporation  
Allocation: Loan Servicing  
OMB Component Number: 3096

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services		(187.5)	124.3	124.3	124.3		
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>(187.5)</b>	<b>124.3</b>	<b>124.3</b>	<b>124.3</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

1106 ASLC Rcpts (Other)		(187.5)	124.3	124.3	124.3		
<b>Total</b>	<b>0.0</b>	<b>(187.5)</b>	<b>124.3</b>	<b>124.3</b>	<b>124.3</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2021) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2022) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

Updated to reflect the new committee substitute - Repeal date updated to June 30, 2025. Costs listed in the personal services line moved to the services line; interagency receipts reflected in the services costs line fund Alaska Commission on Postsecondary Education (ACPE) personal services costs to administer this program. Additionally, costs in the services line for FY2025 now reflect a full fiscal year.

Prepared By: Sana Efird, Executive Officer  
Division: Alaska Student Loan Corporation  
Approved By: Lacey Sanders, Administrative Services Director  
Agency: Office of Management and Budget

Phone: (907)465-6740  
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REPORTED OUT OF  
SFC 04/27/2021

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION

## Analysis

This bill establishes a grant program to be administered by the Alaska Commission on Postsecondary Education (ACPE), which provides essential workers with tuition and fees to attend a state-supported postsecondary educational institution. The bill provides for various eligibility criteria for award of an initial grant and identifies eligibility criteria to receive a grant for another term. Total amount of grants may not exceed \$2,500.0 per fiscal year with prioritization for payment of grants if insufficient funds are appropriated. Additionally, the bill defines “essential worker” and establishes guidelines and a timeframe for a report on the new program to the Legislature. This act is repealed June 30, 2025.

As COVID-19 continues to affect businesses and Alaska’s economy negatively, this bill would support essential workers who are working currently or who were laid off temporarily or permanently during the federal public health emergency by offering grants for tuition and fees to attend state-supported educational institutions to improve their opportunity for employment.

In accordance with AS 14.42.170, the employees of ACPE shall serve as staff for the Alaska Student Loan Corporation (ASLC). As an enterprise agency of the State of Alaska, ASLC funds the positions and related work of ACPE. Since these new duties are not associated with ASLC, they must be funded through a different fund source.

Assumptions to implement the grant program outlined in this bill:

- Assumes grants would be funded through the Alaska Higher Education Investment Fund (DGF) and operating costs through Unrestricted General Funds (UGF).
- Services costs for FY2022 represent the cost for 1.5 FTE Financial Aid Operations Analyst/Financial Aid Specialist to oversee implementation and process awards and communicate with students and schools and Information Technology staff to support system setup and implementation. Total: \$187.5 UGF.
- Services costs for FY2023, FY2024 and FY2025 represent the costs of .6 FTE Financial Aid Operations Analyst/Financial Aid Specialist to administer the program. Total: \$63.2 UGF.
- Services costs do not represent new positions, but reflect new duties to implement and administer the Essential Workers grant program. The Governor's FY2022 budget includes \$187.5 ASLC Receipts for these positions to be funded from ASLC. This fiscal note reflects a change in funding source to support the new duties of these positions. For the fiscal years FY2023 through FY2025, the ASLC Receipts are added back to reflect the shift back to providing services for ASLC.